

CYNTHIA AXNE
3RD DISTRICT, IOWA

COMMITTEE ON FINANCIAL SERVICES
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AND CAPITAL MARKETS
HOUSING, COMMUNITY DEVELOPMENT
AND INSURANCE

COMMITTEE ON AGRICULTURE
COMMODITY EXCHANGES, ENERGY, AND CREDIT
CONSERVATION AND FORESTRY

Congress of the United States
House of Representatives
Washington, DC 20515

March 24, 2020

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The Honorable Nancy Pelosi
Speaker of the House
H-232, U.S. Capitol
Washington, DC 20515

The Honorable Mitch McConnell
Senate Majority Leader
S-230, U.S. Capitol
Washington, DC 20510

The Honorable Kevin McCarthy
House Minority Leader
H-204, U.S. Capitol
Washington, DC 20515

The Honorable Charles Schumer
Senate Minority Leader
S-221, U.S. Capitol
Washington, DC 20510

Dear Speaker Pelosi, Minority Leader McCarthy, Majority Leader McConnell, and Minority Leader Schumer,

As Congress considers additional legislation to combat the economic impacts of the COVID-19 outbreak, I write to strongly urge you to include provisions to give the Department of Agriculture (USDA) maximum flexibility to assist farmers and producers in this unprecedented crisis, including adequate ability to use the Commodity Credit Corporation's (CCC) borrowing authority.

I have heard from farmers and producers across my district expressing significant concerns for the future of their farm and livelihood. While few industries are left unaffected by COVID-19, the agriculture economy has been facing challenges for years due to low commodity prices, devastating trade wars, and demand destruction of biofuels by the EPA's misuse of Small Refinery Exemptions. Livestock, poultry, and dairy farmers face continued market uncertainty as demand for products shift from food service to retail channels and potential supply chain bottleneck concerns persist. Many operations were surviving on the thinnest of margins or relied on USDA's assistance as export markets deteriorated. The current crisis exacerbates these issues and creates significant uncertainty.

A recent report has indicated that margins for ethanol have fallen below a seven-year low which has resulted in many ethanol plants in Iowa having to reduce production and remove bids for corn. The price for soybean oil has also reportedly hit an all-time low, harming demand for soybean producers across the state. The biofuels industry has had to weather significant demand destruction caused by the EPA and will be forced to make tough decisions as the crisis worsens.

In this time of severe economic uncertainty, the USDA needs every tool at its disposal to ensure farmers and producers survive this crisis, including maximum flexibility within the CCC. Our agriculture economy is critical for my state of Iowa and for the nation in providing a reliable supply of food and fuel. Thank you for your attention to this matter.

Sincerely,



Cindy Axne
Iowa's Third Congressional District